



PARLIAMENT OF WESTERN AUSTRALIA

**EIGHTH REPORT**

OF THE

**STANDING COMMITTEE ON ESTIMATES  
AND FINANCIAL OPERATIONS**

IN RELATION TO

**THE REVIEW OF THE CONSOLIDATED FUND  
ESTIMATES 1994/95**

**Presented by the Hon Murray Montgomery (Chairman)**

**8**  
**AUGUST 1994**

## STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

The Standing Committee was established on December 21 1989 with the following terms of reference:

1. There is hereby appointed a Standing Committee to be known as the *Estimates and Financial Operations Committee*.
2. The committee consists of 5 members.
3. The functions of the Committee are to consider and report on:
  - (a) the estimates of expenditure laid before the Council each year; and
  - (b) any matter relating to the financial administration of the State.
4. The Committee shall report on the estimates referred under clause 3 by or within one sitting day of the day on which the second reading of the *Appropriation (Consolidated Revenue Fund) Bill* is moved.
5. For the purposes of clause 3(a), the House may appoint not more than 6 members at any stage of its examination.
6. A reference in clause 3 to "estimates of expenditure" includes continuing appropriations, however expressed, that do not require annual appropriations.
7. The Committee may initiate investigations under clause 3(b) without prejudice to the right of the Council to refer any such matter.

### Members of the Committee:

Hon Murray Montgomery (Chairman)  
Hon Bob Thomas  
Hon Muriel Patterson  
Hon Mark Nevill  
Hon Bruce Donaldson

### Staff of the Committee:

Ms Karen Schmidt (Advisory/Research Officer)  
Mrs Margaret Liveris (Clerk)

### Previous Reports of the Committee:

See Attachment C

### Address:

Parliament House, Perth WA 6000, Telephone 222 7222

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## **REVIEW OF THE CONSOLIDATED FUND ESTIMATES 1994/95**

### **1. OVERVIEW**

The Standing Committee on Estimates and Financial Operations is required to consider and report on the estimates of expenditure laid before the Council each year. This includes continuing appropriations, however expressed, that do not require annual appropriations. In previous years, the Committee has adopted the approach of examining a large number of agencies. While this approach has enabled the Committee to become familiar with the core functions of many Government agencies, time constraints have precluded the Committee from examining the estimates of any one agency in depth. The Committee has resolved, therefore, to conduct the 1994/95 review of the consolidated fund estimates by focusing on a small number of agencies in some depth.

The annual budget estimates hearings traditionally play a major role in the review process. In 1993, the hearings were frustrated by a large number of generic questions. In addition to refining the focus of the review, the Committee is also concerned that a formal hearings procedure policy is adopted to facilitate the conduct of the hearings. This report describes the Committee's intended focus for its review of the consolidated fund estimates in 1994/95 and presents a procedure policy for the conduct of the estimates hearings.

### **2. REVIEW OF THE CONSOLIDATED FUND ESTIMATES 1994/95**

#### **2.1 FOCUS**

The Committee's terms of reference with regard to the annual budget estimates enable the Committee to potentially examine all government agencies included in the annual government estimates of expenditure. The Committee is concerned, however, that time and resource constraints render examination of a large number of agencies a superficial exercise. The Committee has chosen, therefore, to refine the focus of the estimates review to those agencies or programmes of particular interest to the Committee. In selecting agencies to be reviewed in 1994/95, the Committee considered:

- the proportion of total expenditure allocated to the agency (eg. those agencies allocated  $\geq$  \$100m);
- significant policy changes to be introduced in 1994/95;
- significant administrative or operational reforms to be introduced in 1994/95;
- comments by the Auditor General; and
- agencies which attracted significant public comment during 1993/94.

A list of the agencies and programmes to be examined during the 1994/95 budget estimates review appear at Attachment A. Other general areas of interest to the Committee include discretionary funding, computer security, microeconomic reform, and the implementation of accrual accounting. These issues will be pursued across each of the agencies examined during the review.

## **2.2 HEARINGS PROCEDURE**

The procedural focus of the budget estimates review has traditionally been the annual estimates hearings, which allow members of the Legislative Council to address questions regarding the estimates to invited representatives of government agencies. Typically, the Chief Executive Officer and the responsible Minister for a government agency are invited to appear before the hearing for a set time. Committee members, then other Council members, direct questions to the representatives through the Committee Chair. Members ask only one question at a time, including supplementary questions. Questions are taken on notice if an answer cannot be supplied at the time. The hearings are usually conducted over the course of one week.

In 1993, the hearings procedure was frustrated by a large number of generic questions addressed to each department and taken on notice. The Committee has since resolved to develop formal policy for the conduct of the hearings in 1994. The guidelines specify the order of questions, the procedure for asking questions, and the type of questions permitted, and are informed by Standing Orders 358 and 359. Questions will be permitted to be taken on notice. In order to make the best use of the time available during the hearings, members will be asked to forward generic questions to the Committee for forwarding to the agencies at least one week prior to the hearings. Agency responses to generic questions will be tabled at the commencement of each hearing. A copy of the hearings procedure policy is attached (Attachment B).

## **3. CONCLUSION**

The Committee's Terms of Reference provide the Committee with substantial powers to review and make recommendations regarding the financial administration of the State. In particular, the Committee notes that it has a specific function with regard to the annual budget estimates that could not be undertaken by any other committee. The Committee is confident that its approach to the 1994/95 review of the consolidated fund estimates will contribute to informed debate in this House.

## ATTACHMENT A

### AGENCIES AND PROGRAMMES TO BE REVIEWED DURING THE 1994/95 CONSOLIDATED FUND ESTIMATES REVIEW

AGENCY	RESPONSIBLE MINISTER
1. Premier and Cabinet	Premier
2. Governor's Establishment	Premier
3. Treasury	Treasurer
4. WA Tourism Commission	Minister for Tourism
5. Agriculture	Minister for Primary Industry
6. Agriculture Protection Board	Minister for Primary Industry
7. Fisheries	Minister for Fisheries
8. Land Administration	Minister for Lands
9. Transport	Minister for Transport
- WA Coastal Shipping Commission	
- Transport Trust Fund	
- WAG Railways Commission	
- Transport	
10. Education	Minister for Education and Training
11. WA Department of Training	Minister for Education and Training
12. Sport and Recreation	Minister for Sport and Recreation
13. Justice (Public Trust Administration)	Attorney General
14. Office of the Director of Public Prosecutions	Attorney General
15. Legal Aid Commission	Attorney General
16. Miscellaneous Services	Minister for Finance
17. Health	Minister for Health
18. Conservation and Land Management	Minister for the Environment
19. Environmental Protection	Minister for the Environment
20. Bush Fires Board	Minister for Emergency Services
21. Police	Minister for Police
22. Office of Traditional Land Use	Minister for Aboriginal Affairs and Housing

## **PROCEDURE POLICY FOR THE 1994/95 ESTIMATES HEARINGS**

### **BACKGROUND**

The Standing Committee on Estimates and Financial Operations is charged with the task of considering and reporting on the estimates of expenditure laid before the Council each year. The procedural focus of this review has been the annual estimates hearings, which allow members of the Legislative Council to address questions regarding the estimates to invited representatives of government agencies. Typically, the Chief Executive Officer and the responsible Minister for a government agency are invited to appear before the hearing for a set time. Committee members, then other Council members, direct questions to the representatives through the Committee Chair. Members ask only one question at a time, including supplementary questions. Questions are taken on notice if an answer cannot be supplied at the time. The hearings are usually conducted over the course of one week.

In 1993, the hearings procedure was frustrated by a large number of generic questions addressed to each department and taken on notice. The Committee has since resolved to develop formal policy for the conduct of the hearings in 1994.

### **ESTIMATES HEARINGS: DRAFT PROCEDURE POLICY**

#### **1. Order of questions**

Precedence will be given to questions from Committee members. Questions will only be permitted during the time allocated for the hearing. At the Chair's discretion, questions outstanding at the close of the hearing may be directed to the agency in writing through the Committee. Outstanding questions should be forwarded in writing to the Advisory/Research Officer within 24 hours of the close of each hearing for forwarding to the agency. Response to the question should be forwarded to the Advisory/Research Officer within three working days of receipt of the question.

#### **2. Procedure for asking questions**

During the hearings, questions should be directed through, and be acknowledged by, the Chair appointed for the particular hearing. Prior to the hearings, Council Members will be asked to submit any generic questions to the Committee. These will be forwarded to the relevant chief executive officer at least one week prior to the hearing. Written responses will be tabled at the beginning of each hearing.

### **3. Type of questions permitted**

Questions must have a reasonable connection to the budget estimates and should not:

- relate to a division other than the division being reviewed at that particular time;
- be hypothetical; or
- be questions regarding Government policy, unless directed toward the responsible Minister (SO359).

### **4. Questions taken on notice**

Questions that agency representatives are unable to answer during the hearing will be taken on notice. Following the hearing, the Advisory/Research Officer will forward a copy of the question as it appears in the uncorrected Hansard to the office of the Minister responsible for the relevant agency. Response to the question should be forwarded to the Advisory/Research Officer within three working days of receipt of the question.

### **5. Circulation of invitations and procedural guidelines prior to the estimates hearings**

The Committee will issue invitations and procedural guidelines as follows:

#### **(a) Agency representatives**

The Chief Executive Officer and the responsible Minister for each agency included in the review will be issued invitations to attend the relevant hearing one month in advance of the hearing date. Consistent with the spirit of Standing Order 358, the invitation will indicate the general area of interest to the Committee. Guidelines for the hearings procedure will be attached.

#### **(b) Members of the Legislative Council**

Members of the Legislative Council will be issued invitations to attend the hearings one month in advance of the date of the first hearing. The invitation will indicate the agencies to be reviewed. Guidelines for the hearing procedure will be attached.



**STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**

**Previous Reports**

- . First Report: 1990/91 Budget Estimates - November 1990.
- . Second Report: 1991/92 Budget Estimates - November 1991.
- . Third Report: Leasing of Computer Equipment for the Legislative Council - February 1992.
- . Fourth Report: 1992/93 Budget Estimates - November 1992.
- . Fifth Report: Programme Undertaken During 1992.
- . Sixth Report: 1993/94 Budget Estimates - December 1993.
- . Seventh Report: Public Submissions 1993/94 - April 1994.